

Department of Legislative Services  
Maryland General Assembly

FISCAL NOTE

House Bill 80 (Delegate Fulton)

Environmental Matters

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**Fitness Trainers - Standards - Registration**

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This bill prohibits an individual from practicing physio-technology as a fitness trainer unless registered with the State Board of Physician Quality Assurance (BPQA) beginning October 1, 2000. The bill requires BPQA, in consultation with the Department of Health and Mental Hygiene and the Department of Labor, Licensing, and Regulation, to establish standards for the registration of fitness trainers by January 1, 1999. The bill also defines the scope of practice of fitness trainers. Any person who violates the provisions of this bill is guilty of a misdemeanor and subject to a maximum fine of \$500.

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**Fiscal Summary**

**State Effect:** General and special fund revenues for BPQA from registration fees are anticipated to increase by about \$540,000 in FY 2001. Future year revenues assume a constant number of new applications and biennial renewals. Special fund expenditures could increase by \$54,900 in FY 1999, which reflects the bill's October 1, 1998 effective date. Future year expenditures account for an additional position in FY 2000, annualization, and inflation.

(in dollars)	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
GF Revenues	\$0	\$0	\$108,000	\$5,400	\$129,600
SF Revenues	0	0	\$432,000	\$21,600	\$518,400
SF Expenditures	\$54,900	\$111,900	\$109,400	\$113,300	\$117,200
Net Effect	(\$54,900)	(\$111,900)	\$430,600	(\$86,300)	\$530,800

Note: ( ) - decrease; GF - general funds; FF - federal funds; SF - special funds

**Local Effect:** None.

**Small Business Effect:** Meaningful impact on small businesses.

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### Fiscal Analysis

**Bill Summary:** The bill defines a fitness trainer as an individual who practices physio-technology as it relates to practices commonly referred to as personal and private training, health and fitness instruction, wellness counseling, fitness consultation, exercise-based health promotion, and other such practices. The bill does not apply to aerobics instructors, dance exercise leaders, or other instructors of basic dance-style exercise unless the instruction includes nutritional counseling, resistance training, muscular conditioning, or cardiovascular machines.

**State Revenues:** Since fitness trainers are not required to be registered by the board until October 1, 2000, the board anticipates that it would not receive applications before the beginning of fiscal 2001 (July 1, 2000). It is estimated that approximately 3,000 fitness trainers would register with BPQA in the first year of registration. Consequently, revenues from registration fees are estimated to be \$540,000 in fiscal 2001 (3,000 applicants x \$180 application fee), of which \$108,000 would be distributed to the general fund and \$432,000 would be distributed to the BPQA special fund. Future year revenues reflect 300 new applications a year, biennial renewal fees of \$180, and applicants paying for one year of registration (\$90) in the off-years.

General fund revenues could also increase minimally due to the bill's monetary penalty provision.

**State Expenditures:** Special fund expenditures could increase by an estimated \$54,861 in fiscal 1999, which reflects the bill's October 1, 1998 effective date. This estimate includes the cost of hiring two employees (one Administrator and one Office Clerk) to establish the registration process. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Salaries and Fringe Benefits	\$43,691
Operating Expenses	<u>\$11,170</u>
<b>Total FY 1999 State Expenditures</b>	<b>\$54,861</b>

Expenditures for BPQA would increase further in fiscal 2000 as a result of hiring one Computer Network Specialist/Program Analyst to set up the computer system and process applications and renewals in the out-years. Future year expenditures also reflect: (1) full salaries with 3.5% annual increases and 3% employee turnover; (2) annualization; and (3) 1% annual increases in ongoing operating expenses.

**Small Business Effect:** The bill imposes new requirements on fitness instructors, many of whom are small businesses/self-employed. To the extent that the educational and training requirements impose a cost on self-employed fitness instructors, they would be adversely impacted. In addition, the increased cost of becoming a registered fitness trainer may affect the number of individuals who choose to become or remain a fitness trainer. Depending on the degree to which the supply of fitness trainers would be affected, the cost to small businesses that hire or contract these fitness trainers may increase.

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**Information Source(s):** Department of Health and Mental Hygiene (Board of Physician Quality Assurance); Department of Labor, Licensing, and Regulation; Department of Legislative Services

**Fiscal Note History:** First Reader -February 17, 1998

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